DOCUMENT RESUME

ED 202 363 HE 013 876

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TITLE	Planning Linkages Between the States and Between States and Institutions.
INSTITUTION	Education Commission of the States, Denver, Colo. Inservice Education Program.; State Higher Education Executive Officers Association.
SPONS AGENCY	Kellogg Foundation, Battle Creek, Mich.
REPORT NO	IEP-029
PUB DATE	Aug 79
NOTE	11p.; Paper presented at a Seminar for State Leaders in Postsecondary Education (Danvers, MA, August 1979).
EDRS PRICE	MF01/PC01 Plus Postage.
DESCRIPTORS	Access to Education; *College Planning; Equal Education; *Federal Aid; Federal Government; Federal Regulation; Federal State Relationship; Government Role; *Government School Relationship; *Higher Education; Research; *State Government; Student Financial Aid
IDENTIFIERS	*Seminars for State Leaders Postsec Ed (ECS SHEEO)

ABSTRACT

The planning relationship between the federal government and the states, and between each state and its higher education institutions are considered. The federal government's role in higher education has had three major components: regulation, support of research in universities, and support of student aid programs. Federal regulation has particularly addressed equity issues, including participation of women and minorities, and has been justified because some of the states had failed to exercise an adequate role in this area. There has not been significant state involvement in federal support for research. Federal aid to students has been designed to provide increased access for the economically disadvantaged, middle income students, and other special populations, and has been developed without much involvement of either the states or institutions. It is suggested that it is important to the states to have a relationship with the federal government in formulating and implementing policy in regard to federal support to students, research, and health manpower and education. Planning linkages between the state agency and public and private institutions are addressed. It is suggested that most colleges are not managed internally in accordance with a plan and that planning needs to be addressed to issues in addition to planning for retrenchment. Other possible directions are to increase legislative and executive branch involvement in planning in the future, provide the necessary mix of quality improvement goals and resource reallocation and efficiency goals in the plan, and use statements of goals and objectives in state plans as a basis for evaluation. (SW)

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ED202363

Inservice Education Program (IEP)

Paper Presented at a Seminar for State Leaders in Postsecondary Education

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Danvers, Massachusetts
August 1979

IEP Paper No. 029

NE 013 PDC

Education Commission of the States

Inservice Education Program (IEP)
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The IEP Program has been supported primarily by the W. K. Kellogg Foundation with additional funds from the Education Commission of the States, the Frost Foundation and the State Higher Education Executive Officers

PLANNING LINKAGES BETWEEN THE STATES AND BETWEEN STATES AND INSTITUTIONS

By John Folger

SHEEO Academic Planning Officers Conference
Danvers, Massachusetts
August 14, 1979

What is the planning relationship between the federal government and the states, and between each state and their higher education institutions. I'd like to talk first about what it is; and secondly, about what it ought to be.

The easiest link to describe is the federal/state link — in planning it has been limited, and in the future it seems likely that it will continue to be limited. Aims McGuinness has recently described the federal/state planning linkage in Testimony before the House Subcommittee on Education,[1] and I would commend that statement to you. Rather than repeat that analysis, I'd like to take a broader view, and consider what the main emphasis of the federal government has been in higher education and how that impacts the states and their planning efforts.

The federal government's role in higher education has had three major components:

First, a regulatory role, particularly with regard to the equity issues, including participation of women and minorities. This federal role has grown rapidly in the last two decades; federal action has been justified because some of the states had failed to exercise an adequate role in this area. States have not been anxious to become partners with the

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[1]Aims McGuinness, "1202 Commissions and Statewide Planning for Postsecondary Education." Testimony before the Subcommittee on Postsecondary Education, U.S. House of Representatives, July 12, 1979.

federal government in regulating institutional performance; and in the case of court ordered state desegregation plans in the southern states, the relationship has been very troubled.

Second, the federal government has played a major role in the support of research in universities. This role has been played without any significant state involvement. Federal funds to support specific research objectives, as well as more than a billion dollars a year of general support for university defined objectives and federal funds for building university research capacity, have been provided without any state role at all. Most of the federal support has been provided through grants and contracts and not through any overall plan for institutional support of the research function; but where plans were required, as in the service development grants, they have been made directly between the federal agency and the institutions. In some cases the federal actions were not consistent with state role and scope plans, but these conflicts have not been numerous, partly because most states have had very vague and permissive plans about the development of research. In summary, the federal research relationship has ignored the states. Federal research support made a major contribution to the over-expansion of graduate education capacity which many states are having to deal with at the present time. This is an area where federal actions have created state problems, and where a policy relationship and planning linkage would be useful.

The third major component of the federal government's role has been the support of student aid to provide increased access for the economically disadvantaged, middle income students, and other special populations. The program has been broadened to the point where everyone, rich or poor, is eligible for subsidized loans. The federal part of this program has been developed without much involvement of either the states or

the institutions. Federal funding has been based on formulas which ignored most institutional and state differences. These programs are now so large that they have a major potential impact on state and institutional tuition and student aid policies, but federal actions have not been based on plans which took account of state and institutional programs.

As far as states and institutions are concerned, the relationship is like the old question about where does the gorilla sleep? He sleeps wherever he wants to.

The federal student aid program is based on the concept of aid to needy individuals to attend any legitimate institution of their own choice. Some of the planning for the program was based on the explicit assumption of increasing student choice among institutions, and fostering the responsiveness of institutions to student interests and needs. It was a conscious rejection of the notion of manpower planning and the planning of institutional program development that would control the kinds and numbers of students trained. The First and Second Newman Reports, which came as close to articulating a federal higher education strategy for the 70's as any documents produced under government auspices, specifically advocated the increase of student choice and rejected the idea that we could or should have a federal plan for the number and kind of persons to be trained.

Despite the emphasis on student choice and utilization of market mechanisms rather than planning, the federal government occasionally did use a planning approach, for example, in the federal funding for health manpower training, and in some of the early 1960's efforts to expand the educational opportunities for engineers and scientists. The important thing for the states is that federal health manpower programs and the current support for developing institutions, which is the

largest institutional support program in the Higher Education Act, is operated directly between the federal government and the institutions with little or no role for the states.

The contrast with the federal approach to elementary/secondary education programs is marked. With few exceptions, federal elementary/secondary programs have been operated through state departments of education. The federal government has had a program of capacity building for state departments to strengthen their planning, their information systems, and their capacity to manage joint federal/state programs. Estimates are that nearly half the employees of state departments of education are paid with federal funds. The relationship of federal bureaucrats to the Chief State School Officers has been fairly close, and the Office of Education has seldom made legislative proposals without first having the Chief State School Officers review them.

By contrast, the recent administration proposals for modification of the Higher Education Act virtually ignore the states. The few programs that now involve the states are proposed for elimination (the 1202 Commissions) or major modification. While there was some consultation with SHEEO, this had to be initiated by SHEEO rather than coming from federal officials. Both Assistant Secretary Berry and recently departed Commissioner Boyer came out of higher education, but their emphasis on relationships was with institutions, not with the statewide agencies.

The areas where a federal/state policy/planning relationship is of importance to the SHEEO agencies are student assistance, research, and health manpower and education. All three of these are areas of big federal support, although the federal government is now trying to get out of

much of its support for health education. Federal student assistance and federal research support are multibillion dollar programs, and they have a big impact on the states. It is important to the states to have a relationship with the federal government in both the formation of federal policy about these programs and the implementation of them. Until you do have a better relationship, it's going to be very difficult to do effective state planning for higher education in areas that are impacted by these big federal programs.

Congress has had the major initiative in policy development in federal education programs for most of the past decade, and Congress approaches these problems in the same way that your state legislature does, as a problem in political negotiation. Right now the reauthorization of the Higher Education Act provides an opportunity to structure a new relationship with the states in student aid, but it is unlikely, in my judgement, that the states will actually have a bigger role in this important area; partly because they don't have a proposal that they can push that isn't going to raise a lot of institutional opposition.

Let me emphasize one point. The relationship with Congress is not a planning relationship but a negotiating one.

State Agency Relations with Institutions and Other State Agencies in the State Planning Process

At the state level, the key linkages are with the legislature and with the governor's office, but the linkages are not primarily planning linkages — they are budgetary and they are regulatory. The budgetary process ought to be closely linked to planning, but in most states it is not, and the formal efforts to restructure the budget process in more of a planning mode, as exemplified by PPB procedures, hasn't been very successful.

Wildavsky[2] provides an extensive discussion of why PPB hasn't worked which I won't repeat. The fact is that budgeting in most states remains a political negotiation within a short time framework.

Let me turn now to the planning linkages between the state agency and the institutions, both public and private. In most state planning processes, there has been extensive interaction between the state agency and the public higher education institutions. In some states the private sector has also been extensively involved. Jane Muller, who did her dissertation on an examination of the planning process, found that all of the states that had developed or revised plans in the five years between 1971 and 1976 had some mechanisms for involving institutions in the process. In some cases, the institutions reacted to plans drawn up by the SHEEO agency; in some cases, the institutions were extensively involved in committees which developed drafts of the plan; and in some cases, there was an interaction process. In most states, the development of the plan was primarily done within higher education, rather than being a process with widespread lay or legislative participation.

The purposes of planning should shape the kind of linkages that exist between the state agency and the institutions.

One purpose is to provide a statement of the aspirations of higher education about its future development, and to get those aspirations accepted as legitimate by state officials.

Another is to provide a statement of the state's needs for higher education, and a policy framework within which those needs can be addressed effectively.

A third purpose is to provide a basis for program and/or resource reallocation; a shift of resources from low to high priority areas. A

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[2]Aaron Wildavsky, "The Politics of the Budgetary Process." 2nd edition, 1974.

subpart of this purpose is to provide an orderly, rather than a crisis approach to reallocation of resources.

A fourth purpose is to provide a framework and basis for the accountability of higher education — by specifying the objectives and criteria that the system must meet.

A fifth purpose is as a guide to management and the improvement of decisionmaking by responsible officials.

The plans in most states have been developed to serve some of several or all of these purposes. However, the specific purposes have not usually been clearly defined. A clearer definition of the purpose will, in most cases, improve both the decisions and the design of the proper linkages between state agencies and institutions.

Several ideas are important in thinking about linkages: First, most institutions are not managed internally in accordance with a plan but through a process of political negotiation between the faculty and the administration, which is generally carried out in relation to the budget. The planning mode has made no more headway in the internal academic mangement of most institutions than the planning mode in developing the state budget, and for approximately the same reason.

Second, the disadvantages of planning for retrenchment are apparent to most institutions. They are going to be reluctant to "borrow trouble from the future" in Dan Hobbs' terms. Other purposes for planning must be foremost if the state agency is going to involve the institutions in participatory planning. If those other purposes can't be defined or if they can't be the "real" purposes of the activity, it will be better to shift to a process in which there is less institutional involvement.

Institutions can be, for example, drawn into planning for the improvement of quality, a new emphasis that is possible now that growth has stopped.

Third, there is going to have to be more legislative and executive branch involvement in planning in the future if the plans are to have an impact on budgets and state policy. The growth plans of the past two decades were relatively easy to get supported by the politicians because they were "good" for the state in very obvious ways. The quality improvement plans and retrenchment plans are going to be harder to sell politically, and so a larger effort will be required. Involvement of political leaders is one way to do that.

Fourth, as I see it, the tricky job will be to provide the necessary mix of quality improvement goals in the plan to keep the institutions supportive of, and participating in the plan, and at the same time have enough resource reallocation and efficiency emphasis to keep the legislature and executive support. This is a very difficult mix to achieve, and I wish you a lot of luck.

Fifth, the legislature and other state officials have an increasing interest in oversight and accountability. This interest may ignore the state plan and state agency program review process, and utilize a separate agency for program audit; or it may, as ECS has recommended, base a large part of its oversight on the program reviews by state agencies, and the evaluation of the achievement of educational goals and objectives that are contained in the state plan. The statement of goals and objectives in state plans has not generally been used as a basis for evaluation. In the next decade, state objectives and goals, as embodied in master plans, have the potential of providing a basis for periodic evaluations of higher education. This new function for planning may not emerge, but if it does not, states will use some other basis for their evaluation activities; the point is, they are going to do more evaluation, whether or not this is in terms of goals and policy objectives embodied in the state plan. If the

state plan is a basis for evaluation, this will increase the importance of the process that is followed.

In summary, it will be difficult to build an effective planning relationship between state agencies and institutions in a period of resource reallocation and a generally conservative fiscal environment. The purposes of planning must be clear, and there must be reasons for institutional participation if a participatory process is to work effectively, and if planning is to have relevance for institutional operations. It's a difficult relationship, and I wish you well in your attempts to develop it in the difficult period ahead.

JKF:vl
8/31/79